

2012/13 Review and Key Highlights

CEO Greg Beashel

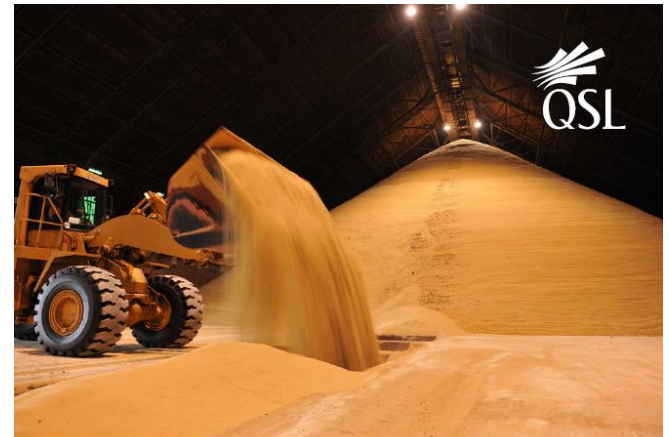
QSL AGM – 21 October 2013



Outline



1. Value delivery goals for 2012/13
2. Key Business achievements
3. Breakdown of value created by QSL
4. Performance against targets
5. Our goals for 2013/14



Working
for YOU

QUEENSLAND SUGAR LIMITED
ANNUAL REPORT 2012/13



What did we say we were going to do in 2012/13

PRICING

- Outperform benchmark market returns
- Increase range of pricing options
- Increase pricing flexibility

LOGISTICS

- Safety and efficiency in all operations
- Customer focus
- Storing and shipping other products at terminals where it makes sense to do so

FINANCING

- Access to long-term pricing at competitive rates
- Ability to price five years ahead using QSL
- Low-cost financing

MARKETING

- Maximise returns through optimising sales timing and customer premiums
- Customer focus
- Reduce marketing costs through supply of other origin sugar

Key Highlights

- A significant improvement in our safety culture and performance evidenced by a 43% reduction in our total recordable injury frequency rate
- Pool returns outperforming the market by an average of more than \$20 per tonne IPS in QSL ICE 11 pools
- Rolling over of the RSSA's to 30 June 2017
- Renewal of our Standard and Poor's credit rating and an upgrade of our outlook from 'negative' to 'stable'

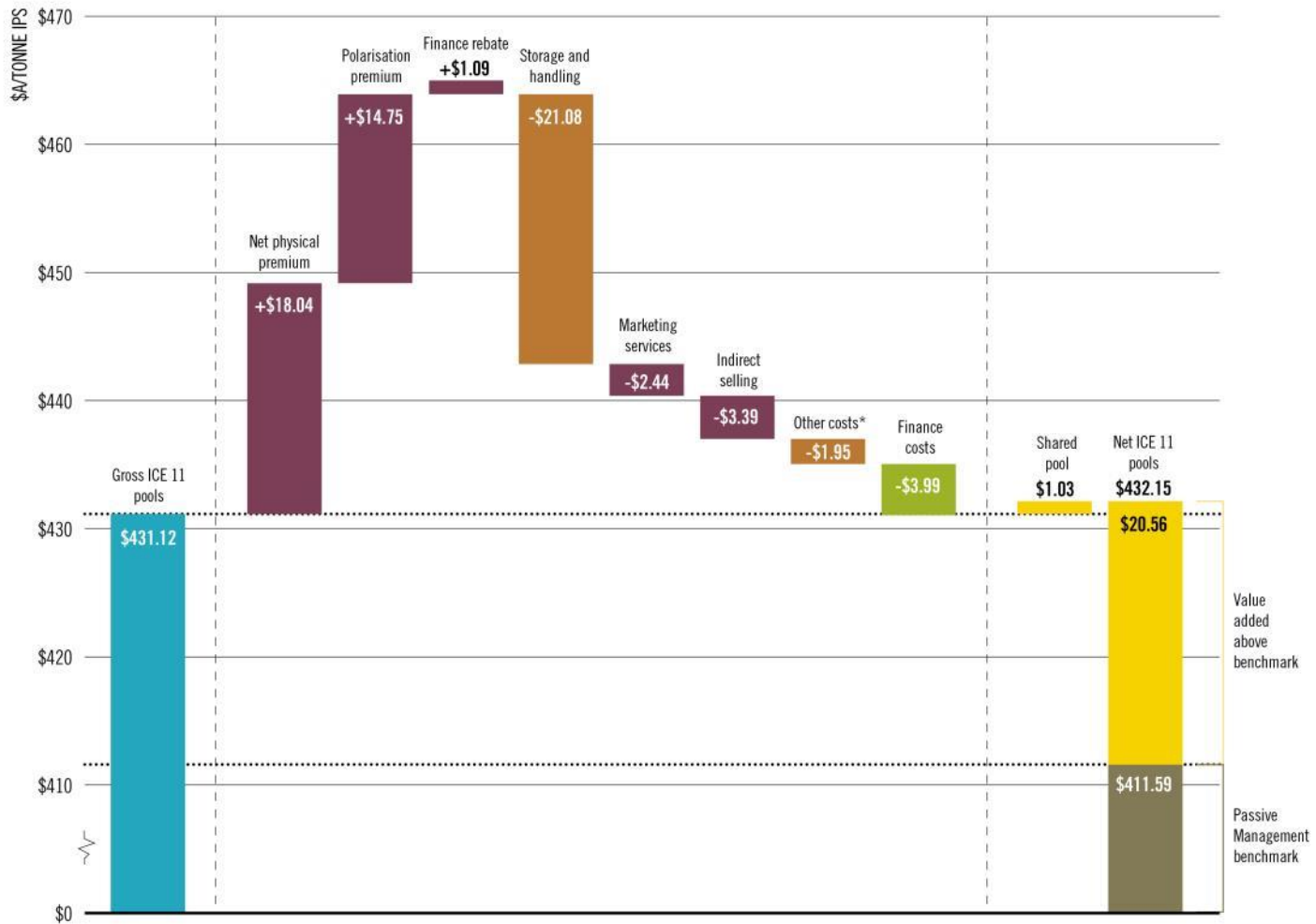
Key Highlights

- A renewal of our lease with Sugar Terminals Limited to 31 December 2018
- A new restructured financing facility with annual benefits estimated at \$1.4 million
- An announcement by MSF that they will return to the pooling system and sign a new RSSA with QSL
- An under-budget cost performance across the organisation of \$2 million

Overall value created by QSL



COMPONENTS OF TOTAL QSL-MANAGED ICE 11 POOLS VERSUS THE PASSIVE MANAGEMENT BENCHMARK



Financing

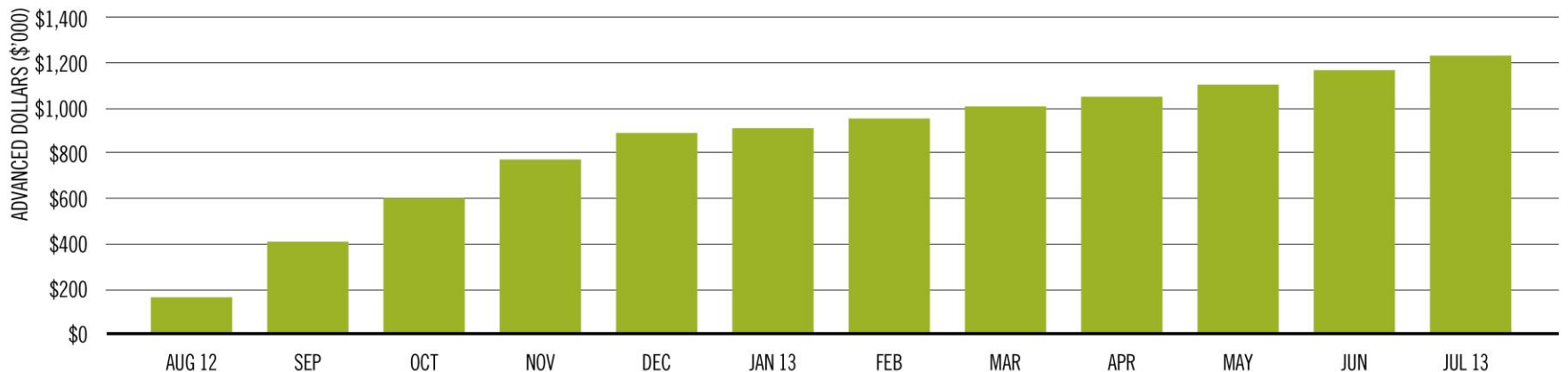
Low-cost financing through advance payments and access to long term pricing



- Ability to price up-to five years ahead using QSL
- Weighted average cost of funds was at its lowest in five years at 3.48%. This low-cost of funding is passed onto members through the Shared Pool to finance the Advances Program
- Re-financed \$500m credit facility for extended three-year term with a \$300 million step-down approach giving estimated annual benefits of \$1.4 million each year

CUMULATIVE PAYMENTS TO MILL OWNERS

12/13 FINANCIAL YEAR



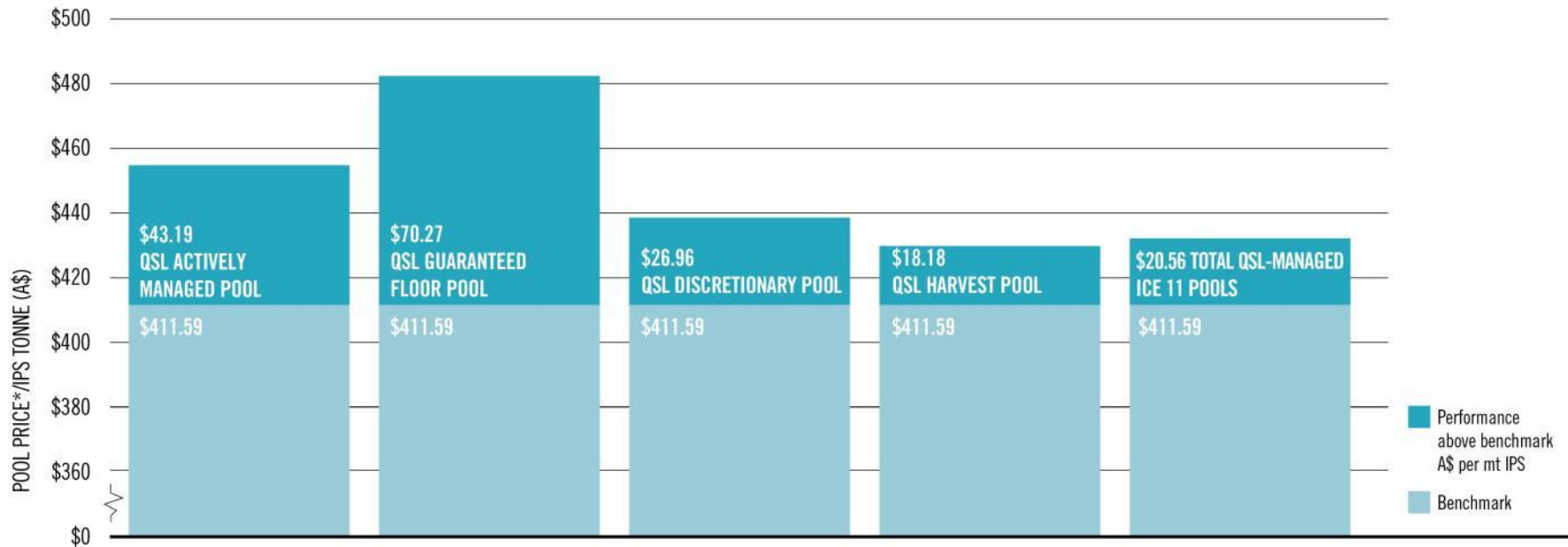
Pricing

Knowledge, expertise and experience in hedging



- QSL outperformed market benchmark by an average of \$20 per tonne IPS in QSL ICE 11 Pools
- Introduced two new forward-season pools to enable pricing decisions to be made as far out as 2015

12/13 FINANCIAL YEAR (2012 SEASON)



Market trends 2012/13– ICE 11

- Third consecutive year of a global sugar surplus and downward pressure on raw sugar prices during 2012/13
- Raw sugar futures averaged US19c/lb for FY2012/13
- Ethanol production and demand was an important variable impacting the market

RAW SUGAR ICE 11 12/13 FINANCIAL YEAR

High: 23.92c/lb
Low: 16.21c/lb



Market trends – Currency

- Current depreciation of the Australian dollar started at end of financial year
- Remained consistently above parity to the US dollar averaging a level of US\$1.03
- Australia's AAA credit rating combined with its relatively high domestic interest rates attracted foreign investment

AUD/USD CURRENCY 12/13 FINANCIAL YEAR

High: AUD/USD 1.0594
Low: AUD/USD 0.9207



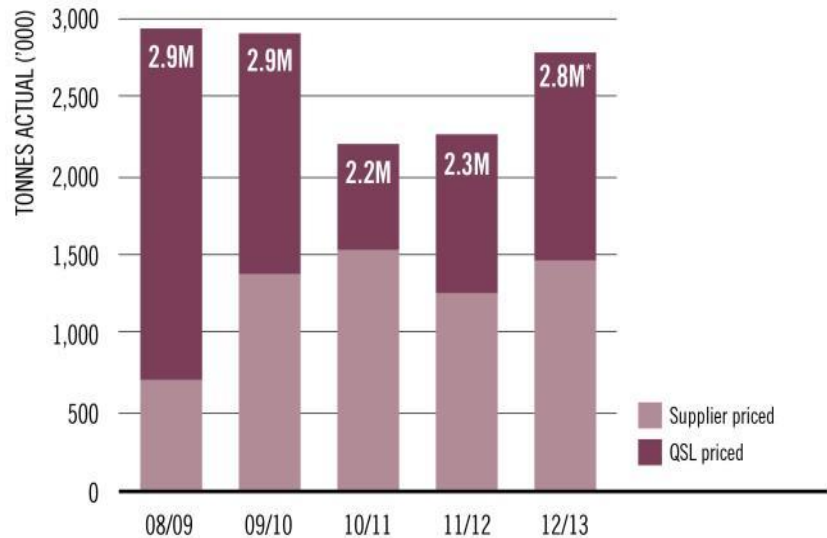
Marketing

Maximising returns through optimising sales timing and customer premiums

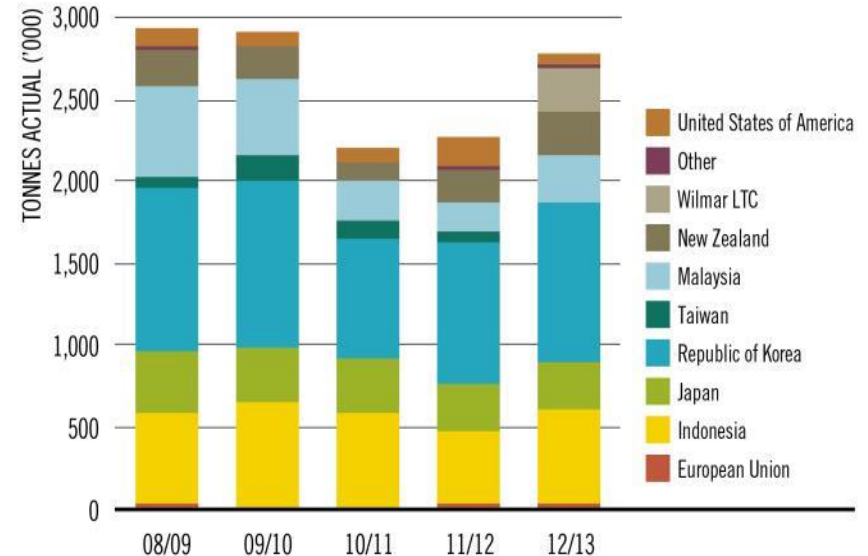


- Outperformed marketing premium benchmark by \$5.02 per tonne IPS
- Added \$1.10 per tonne IPS to the Shared Pool from actively managing chartering activities
- Supply of other origin sugar returned \$2.2 million to members through the Shared Pool

TOTAL TONNES MARKETED (SOLD) LAST 5 FINANCIAL YEARS



QSL MARKETS LAST 5 FINANCIAL YEARS



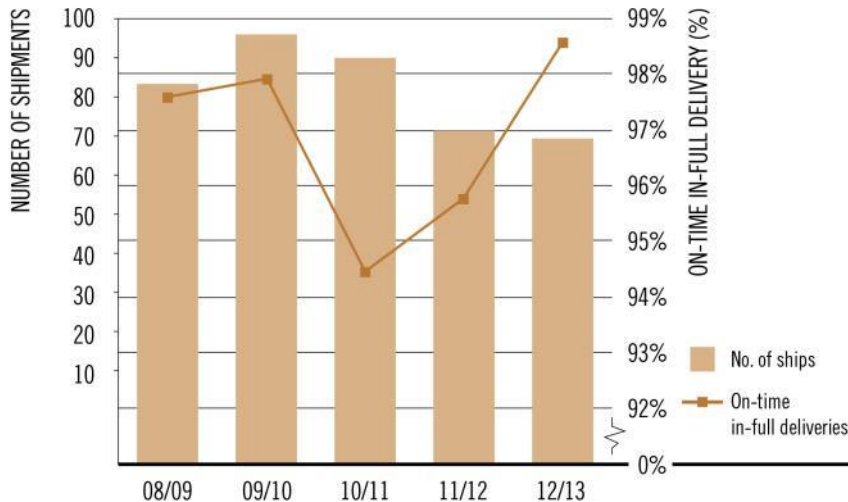
Logistics

Safe and efficient storage, handling and shipping of raw sugar

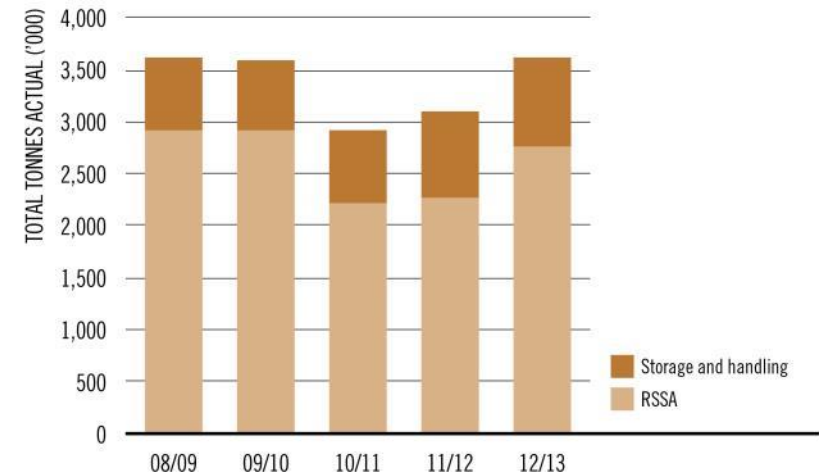


- More than 98% of sugar exports were delivered in-full and on-time
- Focus on safety and efficiency in all operations – resulting in under budget performance and 43% TRIFR reduction
- Storing and shipping other products contributed to the shared pool

ON-TIME IN-FULL DELIVERIES LAST 5 FINANCIAL YEARS



TONNES HANDLED THROUGH THE BULK SUGAR TERMINALS LAST 5 FINANCIAL YEARS



Our goals for 2013/14

PRICING

- Outperform benchmark market returns
- Build stronger grower and miller awareness and understanding of QSL's operations

LOGISTICS

- Run an efficient and effective customer focused terminal operation
- Storing and shipping other products at terminals where it makes sense to do so

FINANCING

- Maintain access to long-term pricing at competitive rates
- Retain low-cost financing

MARKETING

- Maximise returns through optimising sales timing and customer premiums
- Work with industry to develop a model for a sustainable future for the QLD sugar industry

The background is a warm, golden-yellow color with various abstract patterns. In the top left, there is a large orange grid. To the right, a network of thin black lines connects several circular nodes, some of which are filled with different hatching patterns (cross-hatch, vertical lines, horizontal lines). A large, semi-transparent blue circle is centered in the middle of the page. The overall aesthetic is modern and professional.

Thank You

